



**DEPARTMENT OF THE AIR FORCE
HEADQUARTERS ARNOLD ENGINEERING DEVELOPMENT CENTER (AFMC)
ARNOLD AIR FORCE BASE TENNESSEE**

17 Jul 02

MEMORANDUM FOR ALL PROSPECTIVE OFFERORS

FROM: AEDC/PKM

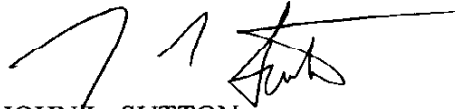
SUBJECT: AEDC Contract Competition Update – Key Acquisition Strategy Decisions

1. During the past few months we've invited and received many suggestions from people throughout industry and Government regarding AEDC's future contract arrangements. From the kickoff AEDC Stakeholders Meeting in February of this year through the numerous Request for Information (RFI) meetings, we've received many valuable ideas and comments. We sincerely appreciate your input and participation.
2. Never before in AEDC's acquisition history have we undertaken such an extensive market research effort. As you might imagine, the ideas and suggestions offered cover a wide spectrum. The acquisition team carefully considered every input as we prepared an acquisition strategy. On 10 July 2002, senior representatives from the Air Force led by Mr. Tim Beyland, the Air Force Program Executive Officer, and Col David Eichhorn, the AEDC Commander, met to review the key aspects of this acquisition. Many issues were discussed with the key decisions focusing on the number of contracts that'll be awarded and the organization conflict of interest (OCI) language that'll be in the solicitation. Here's a summary of those decisions.
3. First, the Air Force intends to award a single contract for the contractual operation, maintenance, information management, and support of AEDC. Various alternatives were considered and the Air Force concluded that a single contract offers the best opportunity for innovative business arrangements and proposals while fostering a more competitive environment. The draft solicitation will specify a cost plus award fee (CPAF) type contract. The length of the contract will be between eight to twelve years. The draft solicitation will provide additional information regarding the length of the basic contract, the number of options, and whether an award term incentive will be included.
4. Secondly, the Air Force plans on conducting a full and open competition. This includes encouraging competition from companies that engage in design, development, or production of aerospace or other systems normally developed, tested, or evaluated in AEDC facilities. Organizational conflict of interest (OCI) issues are a significant consideration, but offerors may mitigate OCIs with comprehensive mitigation plans. Only companies submitting acceptable mitigation plans will be eligible for award. To facilitate the preparation and review of mitigation plans, we plan on implementing an advisory multi-step process following the principles of FAR 15.202. We'll publish a presolicitation notice within the next few days that'll begin the process.

5. We plan on releasing the draft solicitation as a complete package (with minor exceptions) in late August 2002. With that release many of the detailed questions you may have will be answered. From a sense of maintaining equal access to information for all offerors, we prefer not to answer questions regarding the draft RFP at this time. The acquisition team is working hard to get the draft solicitation out on schedule and your cooperation will help. After release of the draft solicitation, we'll answer your questions, make necessary corrections, and release revisions to individual sections as required.

6. We plan on having more industry days later this year. Currently, we envision that one of the meetings will focus entirely on IT requirements to help you learn more about our current systems and future requirements. The draft solicitation will give you flexibility to base your proposal on using our current information systems or your own if they meet specific requirements identified in the solicitation.

7. Thank you again for participating in our market research effort. The insight and suggestions you made contributed significantly in developing the key tenets of our acquisition strategy. Please call me at 931-454-6886 if you have any questions.

A handwritten signature in black ink, appearing to read 'John L. Sutton', is positioned above the printed name.

JOHN L. SUTTON
Contracting Officer
Chief, Contract Management Branch